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Revised proposal for the use of regular budget resources for the normative support functions of the United Nations Entity for Gender Equality and the Empowerment of Women

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the revised proposal for the use of regular budget resources for the normative support functions of the United Nations Entity for Gender Equality and the Empowerment of Women (hereinafter "UN Women") (A/65/531). During its consideration of the report, the Advisory Committee met with the Under-Secretary-General for UN Women, as well as other representatives, who provided additional information and clarification.

2. The Advisory Committee wishes to clarify that the present report deals primarily with the specific requests concerning the use of regular budget resources made by the Secretary-General in section III of his report. As indicated in the summary of that report, a proposal for the use of voluntary resources for the support budget for the biennium 2010-2011, together with a revised draft strategic plan and organizational chart, will be submitted in a separate report to the Executive Board of UN Women. The Advisory Committee will consider that report in due course, prior to its submission to the Executive Board.

3. **The Advisory Committee welcomes the establishment of UN Women as an important part of the Organization's ongoing efforts to strengthen its capacity to meet the challenges of the twenty-first century, in particular the increasing demand for United Nations system support to advance gender equality and women's empowerment.**

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II. Background and general considerations

4. By its resolution 64/289, the General Assembly established the United Nations Entity for Gender Equality and the Empowerment of Women, to be known as UN Women, by consolidating the existing mandates and functions of the Office of the Special Adviser on Gender Issues and Advancement of Women and the Division for the Advancement of Women of the United Nations Secretariat, the United Nations Development Fund for Women (UNIFEM) and the International Research and Training Institute for the Advancement of Women (INSTRAW). UN Women is to have the additional role of leading, coordinating and promoting the accountability of the United Nations system in its work on gender equality and the empowerment of women.

5. In that same resolution, the General Assembly decided that UN Women would function as a secretariat, providing support to intergovernmental policy and normative processes, and would also carry out programmes of operational activities at the country level to support Member States, at their request. It will be headed by an Under-Secretary-General and governed by a multi-tiered structure comprising the General Assembly, the Economic and Social Council, the Commission on the Status of Women and an Executive Board. Resolution 64/289 also stipulates that UN Women is to be operational by 1 January 2011, but it provides for a transitional period, lasting from the date of adoption of the resolution (2 July 2010) to 31 December 2010, during which all the activities of the four constituent entities will continue until they are replaced by new arrangements.

6. With regard to financial resources, the General Assembly decided that UN Women would be funded from two sources: the regular budget and voluntary contributions. The resources required to service the normative intergovernmental processes will be funded from the regular budget and approved by the General Assembly, while the resources required to service the operational intergovernmental processes and operational activities at all levels will be funded from voluntary contributions and approved by the Executive Board. In his report (A/65/531), the Secretary-General indicated that, in 2011, regular budget resources in the amount of $6,983,500 would be required for UN Women. He further indicated that the total projected resource level for 2011 was estimated at $500,939,900. **The Advisory Committee considers it important to clarify that the percentages used in the Secretary-General's report to describe the funding ratio of voluntary contributions to regular budget resources are merely illustrative, providing a snapshot of the projections for 2011 rather than a prescription for the future.** In this connection, in paragraph 11 of his report the Secretary-General asserted that the share of regular budget funding for UN Women was expected to decrease further with the projected increase in voluntary contributions.

7. In paragraph 12 of his report, the Secretary-General indicated that, in accordance with General Assembly resolution 64/289, UN Women would have financial regulations and rules similar to those of other operational United Nations funds and programmes and consistent with the Financial Regulations and Rules of the United Nations. The Under-Secretary-General for UN Women is to present a proposal for financial regulations to the Executive Board for its consideration and adoption, and to promulgate the financial rules.

8. With regard to human resources, the Secretary-General indicated in the same paragraph that the Under-Secretary-General for UN Women, upon delegation to him/her of formal authority in personnel matters, would appoint and administer the staff of UN Women, including those required for its operational activities, in accordance with the Staff Regulations and Rules of the United Nations. Upon inquiry, the Advisory Committee was informed that the future staff selection system for UN Women was expected to resemble that used by the United Nations funds and programmes. The Under-Secretary-General was working closely with the Office of Legal Affairs and the Office of Human Resources Management in order to ensure that all human resources management arrangements adopted by UN Women were consistent with the existing regulatory framework.

9. On a related matter, the Advisory Committee was informed, upon inquiry, that it had not yet been decided whether UN Women would adopt the elements of the system of administration of justice currently in force at the United Nations. **The Advisory Committee emphasizes the importance of ensuring that appropriate procedures for the settlement of disputes are in place by the time UN Women becomes operational on 1 January 2011.**

10. In paragraphs 4 to 9 of his report (A/65/531), the Secretary-General gave an overview of the future plans and perspectives of UN Women. He outlined the critical steps in its operationalization, which include the consolidation and modification of the institutional and administrative arrangements of the four constituent entities in order to integrate all their mandates and functions into one coherent and effective new organizational framework. The Secretary-General also indicated that hallmarks of the future strategy of UN Women, which is to be further developed under the leadership of the Under-Secretary-General and will be reflected in the programme budget proposals for 2012-2013, would include an emphasis on expanding support to Member States at the national level; strengthening coherence between the normative support provided to global intergovernmental processes and the technical and thematic advice provided to national partners at the country level; and providing leadership, strengthening coordination and promoting accountability on gender equality and women's empowerment and support to gender mainstreaming across the United Nations system.

11. The Advisory Committee understands that the proposals currently before it are preliminary in nature and cover requirements for only the start-up phase of UN Women's operations. **Nevertheless, the Advisory Committee wishes to highlight the importance of ensuring that appropriate steps are taken from the outset to avoid overlaps with the mandates of other United Nations system entities, as well as other Secretariat offices and departments, working on similar issues.** Upon inquiry, the Committee was informed that the Under-Secretary-General had embarked upon a series of meetings with relevant partners, including the Department of Peacekeeping Operations and the Special Representative of the Secretary-General on Sexual Violence in Conflict, to discuss both potential overlaps and possible areas for collaboration. **The Advisory Committee urges the Under-Secretary-General to pursue those efforts with a view to ensuring that UN Women's role and responsibilities are clearly delineated.**

12. At various points in his report (A/65/531), the Secretary-General emphasized that one of the advantages of creating a composite entity was greater coherence. For

instance, in paragraph 8, he stated that effectively combining the functions and assets of the four entities in a new structure facilitated coordination and coherence. He also stated, in paragraph 13, that the aim of the organizational structure of UN Women was to create an entity that would effectively serve its stakeholders, characterized by consistency, coordination and coherence between the normative and operational aspects of its work. **The Advisory Committee is supportive of efforts to achieve greater system-wide coherence and views the establishment of UN Women as a significant step forward in this regard. The Committee looks forward to receiving, in the context of the next budget submission, more detailed information on the specific steps, other than restructuring, envisaged to strengthen the effectiveness and the management of the Organization's activities in the area of gender equality and women's empowerment.**

13. The Advisory Committee also notes from paragraph 8 of the Secretary-General's report that, during consultations prior to the adoption of General Assembly resolution 64/289, there had been widespread recognition that UN Women required significant net increases in human and financial resources in order to deliver on the mandates entrusted to it and live up to stakeholders' expectations for change. However, during its consideration of the Secretary-General's report, the Committee was informed that there were some areas in which efficiencies and economies of scale could be realized. Such opportunities included having just one front office, one set of thematic experts, one set of websites and databases, one enterprise resource planning system and a single channel of communication between UN Women and its national partners. **The Advisory Committee understands that UN Women will need to scale up the activities previously carried out by its four constituent entities in order to respond to Member States' expectations and to deliver fully on its mandate. Nevertheless, the Committee encourages a prudent approach to managing the growth of the UN Women entity, as well as efforts to pursue all available opportunities for efficiencies and economies of scale.**

14. Section II.F of the Secretary-General's report includes an organization chart for UN Women. **It is the Advisory Committee's understanding that the chart remains notional at this stage pending the approval of a detailed strategic plan and support budget by the Executive Board. In this connection, the Committee underlines the importance of ensuring that UN Women's final organizational structure reflects a thorough review of staffing requirements, both in the field and at Headquarters. While recognizing that in order to deliver on its expanded mandate UN Women may require additional human resources over and above those previously approved for its four constituent entities, the Advisory Committee expects that, during the process of consolidating and modifying the institutional arrangements, all opportunities for rationalizing the post structure will be explored. Particular attention should be paid to ensuring that the final staffing table is not top-heavy.**

III. Options for administrative arrangements under the regular budget

15. As indicated in paragraph 6 above, UN Women will be funded from two sources: the regular budget and voluntary contributions. In paragraphs 10 to 25 of his report, the Secretary-General responded to the request of the General Assembly.

as contained in paragraph 76 of its resolution 64/289, that he present options for administrative arrangements for the regular budget portion of UN Women's funds. The two options presented are as follows:

(a) Option 1: A unified system for the integrated administration of all resources and the use of a grant modality to assign to UN Women the post and non-post costs as approved by the General Assembly. Under this option, the normal budget review and approval processes, as well as the normal reporting processes, would be maintained, thereby also maintaining the Assembly's control of posts and non-post resources funded from the regular budget. After the approval of the biennial budget by the General Assembly, the regular budget resources would be provided to UN Women in the form of a grant, which would be administered and disbursed by UN Women in accordance with its own financial regulations and rules and using its own enterprise resource planning system. Financial statements and related accounts would be submitted to the Board of Auditors in accordance with the established procedures applicable to the regular budget. The Advisory Committee notes from paragraph 19 of the Secretary-General's report that the grant modality has been endorsed by the General Assembly and used for a number of years for implementation of the budgets of the Office of the United Nations High Commissioner for Refugees (UNHCR);

(b) Option 2: Two separate administrative systems, one for the regular budget and one for voluntary contributions. Under this option, the regular budget appropriations would be prepared as a separate budget section, based on a separate strategic framework, in accordance with the applicable rules and regulations and approved by the General Assembly, and the resources would be disbursed in accordance with the financial procedures of the United Nations Secretariat. As UN Women would not be in a position to administer two financial systems, an appropriate United Nations Secretariat office, perhaps the Department of Economic and Social Affairs, would need to be designated to administer the funds on behalf of UN Women and to report on their use.

16. **For the reasons outlined by the Secretary-General in his report, and in view of the fact that the grant modality has been successfully used for a number of years for the implementation of the budgets of UNHCR, the Advisory Committee recommends that the General Assembly approve the use of the grant modality (option 1) for the implementation of the regular budget portion of UN Women. In the Advisory Committee's view, given the hybrid nature of the new entity, option 1 is the most practical approach and will allow for maximum transparency in the administration of the regular budget resources. The Committee emphasizes that the use of the grant modality should not lessen in any way the requirement for detailed reporting to the General Assembly on the utilization of the resources.**

IV. New section 37, UN Women

17. In its resolution 64/289, the General Assembly approved specific arrangements for the establishment of UN Women, which, according to the Secretary-General, involve the transfer of the 2011 regular budget appropriation of subprogramme 2, Gender issues and advancement of women, of section 9, Economic and social affairs, to a new budget section dedicated to financing its normative and analytical

activities. Section II of the Secretary-General's report (A/65/531) presents, in the established fascicle format, the proposed new section of the programme budget for the biennium 2010-2011, which is to be entitled "Section 37, UN Women".

18. **With regard to the presentation of the fascicle for the new section 37, the Advisory Committee recognizes that the Secretary-General's proposals were prepared mid-biennium as revised estimates and reflect the current programme and resource structure for the start-up phase of UN Women's operations. The Committee expects, however, that the results-based framework will be further developed and refined in future submissions, starting with the proposed programme budget for the biennium 2012-2013, so that it can serve its intended purpose as an effective management tool.**

19. The Advisory Committee notes from section III of the Secretary-General's report (A/65/531) that the General Assembly is being requested to approve the new programme of work under section 37, UN Women, of the programme budget for the biennium 2010-2011. In this connection, the Secretary-General, in paragraph 37.1, of his report, indicated that UN Women consolidated the mandates and functions of the Office of the Special Adviser on Gender Issues and Advancement of Women and the Division for the Advancement of Women of the Secretariat, which are set out in programme 7, Economic and social affairs, subprogramme 2, Gender issues and advancement of women, of the strategic framework for the period 2010-2011,[1] and in section 9, Economic and social affairs, subprogramme 2, Gender issues and advancement of women, of the programme budget for the biennium 2010-2011 (see A/64/6 (Sect. 9)), as well as those of INSTRAW, which has been guided by a strategic framework for the period 2008-2011 and workplan and operational budget for 2010, and of UNIFEM, whose activities are guided by the UNIFEM strategic plan for 2008-2011.

20. **With regard to the portion of the programme of work to be funded under section 37 of the regular budget (i.e., the activities set out in programme 7, Economic and social affairs, of the strategic framework for the period 2010-2011), the Advisory Committee recalls that programmatic review falls within the purview of the Committee for Programme and Coordination, which, pursuant to paragraph 13 of General Assembly resolution 58/269, reviews the programmatic aspects of new and/or revised mandates approved by the Assembly subsequent to the adoption of the biennial programme plan, as well as any differences that arise between the biennial programme plan and the programmatic aspects of the proposed programme budget.** Upon inquiry, the Advisory Committee was informed that, in accordance with established procedures, changes to the strategic framework for 2010-2011 resulting from the establishment of UN Women would be submitted ex post facto to the Committee for Programme and Coordination at the time of its review of the strategic framework for the period 2012-2013.

21. The overall regular budget resources required for UN Women for the second year of the biennium 2010-2011 amount to $6,983,500, reflecting an increase of $367,800 (or 5.5 per cent) in comparison with the initial appropriation of $6,615,700 (transferred from section 9, Economic and social affairs). The additional amount of $367,800 requested by the Secretary-General corresponds to the cost of

[1] *Official Records of the General Assembly, Sixty-third Session, Supplement No. 6* (A/63/6/Rev.1).

the establishment of three new posts (1 Under-Secretary-General, 1 D-2 and 1 General Service (Other level)) (see paras. 24 and 25 below). Projected extrabudgetary resources for the same period amount to $493,956,400 and include the 2011 share of extrabudgetary resources transferred from subprogramme 2, Gender issues and advancement of women, of section 9 ($1,322,260), as well as the estimated 2011 portion of the resources of INSTRAW and UNIFEM ($132,768,000).

22. In paragraph 37.9 of his report, the Secretary-General provides the following information on the proposed distribution of the regular budget resources requested under section 37:

(a) A provision of $115,800 under policymaking organs, representing the appropriation for the 2011 meetings of the Commission on the Status of Women (transferred from section 9);

(b) A provision of $645,100 under executive direction and management, representing (i) the amount of $277,300 resulting from the transfer to the Office of the Under-Secretary-General of two posts previously budgeted for under section 9; and (ii) the new provision of $367,800 resulting from the establishment of the three posts referred to in paragraph 21 above;

(c) A provision of $2,294,700 under subprogramme 1, Intergovernmental support and strategic partnerships, representing the cost of 15 posts and related non-post resources previously budgeted for under section 9, subprogramme 2;

(d) A provision of $3,774,900 under subprogramme 2, Policy and programme activities, representing the cost of 25 posts and related non-post resources previously budgeted for under section 9, subprogramme 2;

(e) A provision of $153,000 under programme support, representing the proportional share of the related 2011 provision for non-post contractual and general operating resources transferred from section 9 in order to cover the servicing and support of office automation equipment, communications and miscellaneous services relating to the 42 transferred posts.

23. As indicated in the preceding paragraph, the Secretary-General is proposing to transfer a total of 42 existing posts (1 Assistant-Secretary-General, 1 D-2, 3 D-1, 6 P-5, 7 P-4, 5 P-3, 5 P-2/1 and 14 General Service (Other level)) from section 9, Economic and social affairs, to the new section 37. The Advisory Committee notes that the posts to be transferred correspond to the full staffing complement approved for the Office of the Special Adviser on Gender Issues and Advancement of Women (13 posts) and the Division for the Advancement of Women (29 posts) for the biennium 2010-2011. **Since all functions relating to gender issues and the advancement of women have now been transferred to UN Women, the Advisory Committee expects that future budget proposals for section 9 will not include any requests for new posts with those functions.**

24. The Secretary-General is also proposing the establishment of three new posts in the Office of the Under-Secretary-General. One post of Under-Secretary-General is proposed for the Executive Director of UN Women. The incumbent will be responsible for the overall direction and management of UN Women in the implementation of its mandates and approved programme of work/strategic plan. The Under-Secretary-General will provide policy advice to the Secretary-General and the Deputy Secretary-General on all issues pertaining to the promotion of

gender equality and women's empowerment. The Under-Secretary-General will also participate in the work of the United Nations System Chief Executives Board for Coordination and, in that capacity, will lead, coordinate and promote the accountability of the United Nations system in its work on gender equality and women's empowerment (A/65/531, para. 37.17). The Advisory Committee notes that the General Assembly, in its resolution 64/289, stipulated that the position of Under-Secretary-General was to be financed from the regular budget. During the transitional period (until 31 December 2010), however, the position is being funded from existing temporary assistance funds.

25. One D-2 post and one General Service (Other level) post are also being proposed (ibid., para. 37.20). According to the Secretary-General, those two posts are required to ensure the necessary capacity and experience to lead and manage the support of the intergovernmental process, operational activities in the field and coordination of the efforts of some 56 entities in the United Nations system that are collaborating in order to mainstream the appropriate response to gender concerns across their programmes of work at the global, regional and country levels (ibid., para. 37.21).

26. The total cost of the proposed three posts for 2011 amounts to $367,800. The Secretary-General is proposing that, in accordance with established procedures, the additional appropriation of $367,800 represent a charge against the contingency fund (ibid., para. 28).

27. **The Advisory Committee recommends that the General Assembly approve:**

(a) **The creation, effective 1 January 2011, of a new budget section, to be entitled "Section 37, UN Women";**

(b) **The transfer of the amount of $6,615,700 from section 9, Economic and social affairs, to section 37, UN Women, of the programme budget for the biennium 2010-2011;**

(c) **The establishment of three new posts (1 Under-Secretary-General, 1 D-2 and 1 General Service (Other level)) under section 37, UN Women, of the programme budget for the biennium 2010-2011;**

(d) **The appropriation in the amount of $6,983,500 (at current rates) under section 37, UN Women, of the programme budget for the biennium 2010-2011, which includes the additional amount of $367,800 to finance the establishment of the three above-mentioned new posts;**

(e) **The amount of $62,300 under section 36, Staff assessment, to be offset by an equivalent amount under section 1, Income from staff assessment, of the programme budget for the biennium 2010-2011.**